

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 3086 – HB 3591

March 4, 2010

SUMMARY OF AMENDMENTS (014688, 014861): Amendment 014688 deletes all language following the enacting clause. Effective January 1, 2011, codifies the Governor's Office of Diversity Business Enterprise (GoDBE) as established by Executive Order 14. Establishes the "Tennessee Small Business and Diversity Business Enterprise Procurement and Contracting Act" which requires the Commissioner of the Department of General Services (DGS) to develop a plan to maximize participation by Tennessee small businesses in state agency contracting and procurement. Establishes a minimum goal for each department of 20 percent of all contracts awarded for goods and services to be awarded to Tennessee small businesses. Requires the Commissioner to report purchases made from Tennessee small, minority, or woman owned business during the preceding fiscal year to the Governor and the General Assembly by December 31 of each year. Requires the Commissioner to promulgate regulations authorizing a preference to be given to Tennessee small businesses during the evaluation of proposals or bids for state contracts. Requires DGS to provide training programs and educational activities which assist Tennessee small businesses in competing for contracts with the state. Amendment 014861 requires DGS, in consultation with the Department of Economic and Community Development (ECD) to study the opportunities that are available to Tennessee small businesses and the potential effect of enhancing opportunities through the utilization of monetary allowances granted during the evaluation of proposals and bids for state contracts. Establishes a sliding scale of percentage of preference given based on the total dollar amount of the contract being awarded. Any findings and recommendations shall be included in the first annual report submitted to the Governor and General Assembly.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures – Exceeds \$3,200,000/FY10-11
Exceeds \$6,400,000/FY11-12 and Subsequent Years

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENTS:

Increase State Expenditures – Not Significant

Assumptions applied to amendments:

- According to DGS, any costs associated with the promulgation of rules, and establishing and providing education and training programs for small businesses can be accommodated within existing resources without an increased appropriation or reduced reversion.

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- Any cost for the provision of reports by each department to DGS, or by DGS to the Governor and the General Assembly is estimated to be not significant.
- According to DGS, there will be no additional cost incurred by the Department to conduct the study required in the bill as they have information, data, and resources readily available and accessible.
- There will be no fiscal impact on the Department of Economic and Community Development to work with DGS for the purposes of conducting this study.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a larger, more prominent script than the last name "White".

James W. White, Executive Director

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